



Via Electronic Filing

April 13, 2009

Broadband Technology Opportunities Program
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

**Re: American Recovery and Reinvestment Act of 2009 Broadband
Initiatives; NTIA and RUS Joint Request for Information**

Dear Sir or Madam:

Cinergy MetroNet, Inc. ("CMN") submits these comments to assist the NTIA in its efforts to implement the Broadband Technology Opportunities Program. With the passage of the American Recovery and Reinvestment Act of 2009 ("ARRA"), Congress recognized the critical need for broadband capability in all parts of the country for economic growth and job creation – as well as providing consumers in rural America access to advanced medical, educational and community services. The NTIA has been charged with a swift and thoughtful dispersal of the broadband stimulus funds. The future success of rural America is tied to the deployment of 21st century broadband services which will create jobs and economic opportunity for rural America.

Headquartered in Evansville, Indiana, CMN builds and operates world-class broadband networks to deliver traditional and enhanced services in underserved rural communities throughout the state of Indiana. CMN has previously secured loans from the Rural Utility Service Access Loan and Loan Guarantee Program ("RUS Program") to deploy competitively priced 21st century broadband and advanced services to 11 rural communities in Indiana. As a broadband provider, competitive local exchange carrier and cable television operator, CMN is realizing the RUS' vision of bringing high-quality innovative broadband and telecommunications services to underserved rural America by bringing fiber directly into homes and businesses. Without the RUS Program, CMN could not have justified the funding necessary to build out these communities. The ARRA and associated programs provides additional opportunity to bridge the digital divide and bring 21st century technology and advanced services to rural America.

Financial Contributions by Grant Applicants

The ARRA requires the Federal share of funding for any proposal may not exceed 80 percent of the total grant. The ARRA also allows for an increase in the Federal share beyond 80 percent if the applicant is able to demonstrate financial need. Accordingly, absent a waiver from the NTIA, an applicant is required to have 20% of its own equity in a funded project. The perceived purpose of this requirement is to ensure that applicants are economically viable and that they will have sufficient incentive to successfully complete their projects.

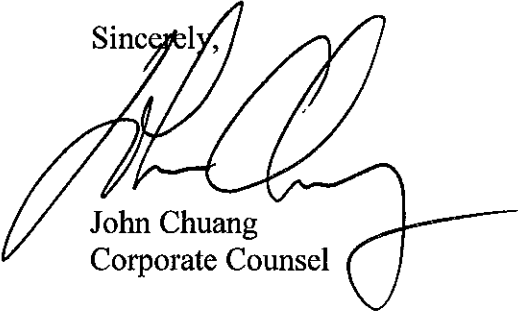
The economic value of “in kind” services and other tangible resources contributed by an applicant should be counted toward the satisfaction of the 20% equity requirement particularly when the applicant is currently in the business of bringing fiber to the premise (“FTTP”) in rural areas. By adopting this approach the NTIA will expand the potential applicant pool to include viable projects that would otherwise not be possible. Many financially sound entities with the experience and ability to successfully deploy broadband services have their capital tied up in existing projects. These same entities have resources like project management capabilities, billing support systems, pole attachment rights, and fiber backhaul networks that can be readily contributed to a project. In many cases these entities have already deployed services in rural areas and, therefore, are best positioned to successfully and efficiently deliver additional broadband services to other underserved communities.

The contribution of services and resources will lead to a more efficient use of NTIA funds. If an incentive is created for applicants to devote their existing resources, less grant or loan money will be required for the successful completion of a project. This will allow the NTIA to stretch the money available to fund more broadband initiatives. An applicant who would normally require funding for the construction of a fiber segment could avoid such costs by contributing to the project fiber strands from an existing route it may have built for a different purpose. Additionally, if an applicant’s resources, like its fiber network, are utilized on a project, construction will be completed faster.

By allowing resources and services to be used to satisfy the 20% equity requirement, the NTIA will not be diluting the purpose of this requirement. An applicant would still be required to establish that it has the financial viability to successfully complete a project. As part of its application, such party would also need to make a case that its contribution of resources and services has economic value, is vital to a project, and avoids costs that would otherwise need to be expended on the project. Additionally, the NTIA could condition any potential grant or loan on the contribution of these resources and services ensuring that the applicant has sufficient “skin in the game”. In this market where funding from banks is difficult, if not impossible, this approach will enable companies, such as CMN who have demonstrated their ability to bring FTTP to rural communities, to expand their capacity to bring 21st century technology to more rural communities.

CMN appreciate the challenges facing the NTIA and RUS as they undertake the effort critical to revitalizing the U.S. economy and setting the stage for universal broadband. We look forward to working with you as this important process unfolds.

Sincerely,

A handwritten signature in black ink, appearing to be 'John Chuang', written over the printed name and title.

John Chuang
Corporate Counsel